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Chairman: Mr. Kmoníček ..... (Czech Republic)
later: Mr. Elkhuizen (Vice-Chairman) ..... (Netherlands)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 9.40 a.m.

Agenda item 121: Proposed programme budget for the biennium 2004-2005 (*continued*)

Report of the Joint Inspection Unit entitled "Managing information in the United Nations system organizations: management information systems" (A/58/82 and Add. 1 and A/58/389)

1. **Mr. Kuyama** (Joint Inspection Unit), speaking via videoconference, introduced the report of the Joint Inspection Unit (JIU) on management information systems (A/58/82). He pointed out that the massive investments ($1 billion) made in such systems over the previous 10 years had not been adequately coordinated; the United Nations system organizations tended to stress differences rather than commonality in areas such as payroll, accounting, human resources management and general services. That being so, JIU had focused in its report on giving guidance on improving information management through the establishment of effective systems to enable decision makers to obtain the information they needed in real time. The report had not been considered by the General Assembly during the debate on information and communication technology (ICT) which had led to the adoption, in April 2003, of resolution 57/304. JIU regretted that since its report addressed a number of issues raised in the resolution and in the reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning the proposed programme budget (A/58/7), particularly with respect to the governance of information activities and the experience of various United Nations bodies.

2. JIU welcomed the positive response of the United Nations System Chief Executives Board for Coordination (CEB) and the Advisory Committee to its report. However, he wished to revert to some of the observations made in the introduction to the Secretary-General's note containing his own comments and those of CEB (A/58/82/Add.1). With reference to paragraph 3 he said that, far from underestimating training requirements, JIU emphasized that the establishment of an Enterprise Resource Planning (ERP) system should go hand in hand with an appropriate training programme. The comment in paragraph 4 to the effect that there was no need to add another process, specifically information management, to the existing results-based programming and budgeting processes was correct in theory but it was necessary to ensure that it was also true in practice. In paragraph 5, CEB seemed to take the view that JIU recommendation 3 applied only to organizations that were planning to embark upon new computerized management information (MI) systems. The view of JIU was that the general principles set forth in its report applied equally to organizations that were perfecting an existing system. He endorsed the contents of paragraph 6 and noted with satisfaction that CEB and its High-Level Committee on Management were endeavouring to organize the pooling of skills and knowledge.

3. Referring to JIU recommendation 1 which emphasized the need for all organizations to have a comprehensive strategy for information management, he noted that, in the United Nations, the elements of such a strategy had been incorporated in the ICT strategy. Recommendation 2, which addressed the designation and functions of a senior official to serve as Chief Information Officer, was consistent with paragraph 4 of General Assembly resolution 57/304. CEB had stated in its report (paragraph 8) that there was no standard practice. JIU acknowledged that the appointment of an official was the responsibility of the executive head; the main purpose of its recommendation was to facilitate the possible definition of the standard functions of such a post.

4. Recommendation 3 specified the steps to be taken prior to the introduction or development of a new MI system and stressed, in particular, the need for careful identification of requirements. In its report, CEB had expressed doubts as to the possibility of implementing certain steps, particularly those set out in the third subparagraph of the recommendation which envisaged the making of a cost-benefit analysis of the various options available to each organization. Noting that some organizations had successfully carried out such an analysis, JIU remained convinced that such a step was essential.

5. In recommendation 4, JIU called for the establishment of a standardized cost classification system, to be used for cost estimates of projects and comparative analysis of such projects by Member States and secretariats. CEB considered that recommendation difficult to implement because of the complexity of the factors involved. JIU hoped that the matter would be dealt with in the same way as the common accounting standards which the Advisory Committee on Coordination had finally adopted despite

initial hesitation on grounds of the complexity of the issue.

6. With respect to recommendation 5 which sought enhanced cooperation and coordination in the design and implementation of MI systems, JIU noted that, although some progress had been achieved, it was far from adequate. Through the decision-making bodies, Member States should explicitly request secretariats to take the necessary measures bearing in mind the substantial cost savings that might accrue to the United Nations system as a whole.

7. In conclusion, he sounded a note of caution on the subject of the integrated management system. The experience of the international organizations and of national civil services showed that bespoke systems tended to be expensive and their implementation took a long time. As JIU had indicated in its report, any new development or upgrading of the system should be approached with caution, bearing in mind, in particular, the cost of upgrading and maintenance.

8. **Mr. Sevilla** (United Nations System Chief Executives Board for Coordination) introduced the note containing the comments of the Secretary-General and members of the United Nations System Chief Executives Board for Coordination (CEB) on the report of the Joint Inspection Unit (JIU) on management information systems (A/58/82/Add.1). The JIU report provided a good overview of the great variety of experiences across the United Nations system in establishing management information systems that reflected the different requirements of the organizations, as well as their different levels of experience and the maturity of their information technology (IT) systems.

9. The members of CEB concurred with the general conclusion that information was a resource that needed to be managed effectively in the environment of the United Nations system. In that connection, they pointed out that proper planning and management of information resources required effective training, especially of programme managers. In their view, existing results-based programming and budgeting processes already offered a means of addressing issues relating to the design and planning of management information systems without adding another process.

10. As for the question of standardization of information management systems, CEB members believed that, while the United Nations system could effectively standardize its policy and procedures in specific managerial areas (for example, financial and human resources management, payroll, procurement, travel, conference management, contracts and documents), the substantial areas had very specific mandates, and little would be gained by standardization across the system.

11. As for the Inspectors' proposal concerning the involvement of CEB and its High-level Committee on Management in the process of planning management information (MI) strategies and projects, CEB members were of the view that such involvement should be oriented towards providing advice and service rather than review and control.

12. The members of CEB stressed the need to build up and retain the specialized skills and knowledge acquired in such areas as information and communication technology (ICT) project management, Enterprise Resource Planning (ERP) requirement analysis and implementation, and online procurement. They noted the insufficiency of mechanisms for promoting cooperation that would augment the sharing of knowledge and experience in applying information technology to management, and called on the organizations of the United Nations system to be more proactively involved in addressing that problem.

13. Some of the measures proposed in the report with regard to the elaboration of a comprehensive strategy for information management and the introduction or development of information management systems (recommendations 1 and 3) had already been implemented by a number of organizations, in some cases — for example, at the United Nations — in the context of adopting results-based planning models. Other measures, while corresponding to current practices, seemed less likely to be applied uniformly across the United Nations system, given the very specific operational characteristics of each and the difficulty in changing the rules and procedures.

14. With regard to recommendation 2, CEB members pointed out that there was no standard practice among organizations of the system concerning the designation of Chief Information Officers (CIOs) and their terms of reference, and that it was up to each organization to establish the mandate of its Chief Information Officer in terms of its own requirements. In that connection, the roles and responsibilities of the Chief Information

Officer must remain absolutely clear and operationally well defined at all times.

15. CEB members feared that recommendation 4 would be difficult to implement, given the complexity of the factors to be taken into account in establishing standardized classifications of the costs associated with the implementation of management information systems, and the differing requirements of each organization. They stressed that most of the costs in question were related to human resources, rather than hardware and software. As for the joint design and/or implementation of management information (MI) systems and other joint initiatives (recommendation 5), CEB members felt that the proposed steps needed to be considered on a case-by-case basis in view of the complex problems they raised, since a number of arrangements already existed between organizations (albeit not on a system-wide basis) and requirements differed substantially. As JIU suggested, where economies of scale could be achieved, the utilization of the services of the International Computing Centre (ICC) should be enhanced.

16. He invited Committee members to refer to the note by the Secretary-General for detailed information on other comments by CEB members. CEB members found the JIU report to be very useful and would certainly take it into account.

17. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's comments on the report of the Joint Inspection Unit (JIU) on management information systems (A/58/82) were contained in paragraphs 2 to 4 of its report (A/58/389). In paragraph 2 of the report, the Advisory Committee indicated that it had already covered in some detail a number of the points made in the report of JIU in chapter I of the Advisory Committee's report on the proposed programme budget for the biennium 2004-2005 (A/58/7), as well as in its other reports on information and communications technology strategy. It had therefore not been necessary for the Advisory Committee to repeat its comments and recommendations in the context of the report contained in document A/58/389. Its comment on the usefulness of the report of JIU, which had earlier been cited by Mr. Kuyama, was contained in the first part of paragraph 2. The Committee therefore recommended that the General Assembly should consider the report of JIU on information management systems, in the light of the comments contained in document A/58/389.

Information and communication technology strategy (A/57/620; A/58/7 and Corr.1 and A/58/377)

18. **Mr. Toh** (Assistant Secretary-General for Central Support Services), introducing the report of the Secretary-General on the information and communication technology strategy: implementation of General Assembly resolution 57/304 of 15 April 2003 (A/58/377), said that the report provided an update on the status of the projects identified in document A/57/620 and examined the follow-up to the resolution. One of the main issues addressed in the report was information and communication technology (ICT) governance, the importance of which had rightly been emphasized by ACABQ. Like the Advisory Committee, the Secretariat believed that there was a need to assess the way in which ICT activities were managed within the Organization. He described the steps taken to establish a project review committee under the auspices of the Information and Communications Technology Board. Project review would be entrusted to a representative group, chaired by the Director of the Information Technology Services Division, which would supervise all ICT initiatives within the Secretariat, irrespective of their source of financing (the regular budget, extrabudgetary resources or the support account for peacekeeping operations). The project review committee would have the task of enforcing the ICT strategy by ensuring that the viability of each investment had been studied, particularly the projected return and economic impact; that implementation of systems adhered to optimal standards and practices; and that there was no duplication (that could be verified by consulting the database already available that contained information on all systems that had been developed or were under development). The project review process would be closely coordinated with the budget preparation process and would be described in detail in the budget guidelines to be issued in February 2004.

19. He was firmly convinced that the new governance structures would ensure that, in future, no investment in ICT would be made until the contribution of the projects to one of the three priority areas identified in the strategy — computerization of administrative and management processes, servicing of governing bodies

and knowledge-sharing had been clearly established. Those mechanisms would also ensure that software development initiatives were transparent and that uniform rules and optimal practices were used so as to guarantee the viability of the applications and optimize their maintenance and running costs.

20. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, said that, given the importance of information technologies for the continuation of the process of modernizing and reforming the Organization, the Advisory Committee had been wise to recommend that adequate investment should be made in that area in the next biennium. However, given its potential cost, Member States needed to be reassured as to the utility of that investment and, to that end, to be better informed concerning the productivity gains that could be expected. In that connection, the Advisory Committee was also right to recommend that a senior position of Chief Information Officer of the United Nations should be established, at least for a time.

21. The issue of productivity gains raised that of the proportion of General Service staff to Professional staff in the regional commissions, which remained too high, although computerization should have helped to reduce it by facilitating the transition to more modern working methods. In his view, the time had come to tackle that problem.

22. **Mr. Chaudhry** (Pakistan) said that Member States attached great importance to the use of information technologies to improve the functioning of the Organization and achieve productivity gains. From that standpoint, the reports of the Joint Inspection Unit and the Chief Executives Board introduced earlier, as well as the comments of the Advisory Committee on the progress that could still be made, emphasized an encouraging community of opinion.

Development Account (A/58/7/Add.5 and A/58/404)

Comprehensive review of the post structure of the United Nations Secretariat (A/58/7/Add.5 and A/58/398)

Cost implications of providing more predictable and adequate conference services to the meetings of regional and other major groupings of Member States (A/58/7/Add.5 and A/58/397)

Proportion of General Service staff to Professional staff in the regional commissions (A/58/7/Add.5 and A/58/403)

Improving and modernizing the conference facilities at the United Nations Office at Nairobi (A/58/7/Add.6 and A/58/530)

Additional expenditures deriving from inflation and currency fluctuations (A/58/7/Add.5 and A/58/400)

23. **Mr. Sach** (Director, Programme Planning and Budget Division), introducing the report of the Secretary-General entitled "Implementation of projects financed from the Development Account: third progress report" (A/58/404), said that it contained information on lessons learned and provided an initial assessment of completed projects. It also provided thematic reviews of new project activities in the areas of statistics and sustainable development. In addition to capacity-building in the field, the report emphasized the networking of expertise and information and communications technologies and subregional cooperation. Another theme addressed was that of the sustainability of activities through building partnerships and ensuring local ownership. Details on the status of the various projects were available on the dedicated Development Account web site at www.un.org/esa/devaccount/.

24. The report summarized the position as at 30 June 2003 with respect to the utilization of appropriations for projects in the first three tranches. He said that, since that date, implementation rates had risen from 79.5 per cent to 87 per cent for the first tranche, from 76.5 per cent to 79.5 per cent for the second tranche and from 36.3 per cent to 43.3 per cent for the third tranche. The projects in the first tranche should normally be completed by the end of the current year and those in the second tranche in the course of 2004. The creation of a fourth tranche for the biennium 2004-2005 would provide the Organization with an important means of national capacity-building. It was suggested that the General Assembly might wish to take note of the report.

25. The document entitled "Comprehensive review of the post structure of the United Nations Secretariat" (A/58/398) contained the additional information the Committee had requested at the fifty-seventh session concerning a comparison of the post structure of the Secretariat of the United Nations with that of other multilateral organizations not covered in the previous report by the Secretary-General (A/57/483). The basis for comparison had thus been broadened to cover 25 common system funds, programmes and specialized agencies. Further broadening of the scope of the analysis would have resulted in a weakening of the validity of the conclusions; national civil services, for example, had not been taken into consideration as their situation varied considerably from one administration to another and within administrations. The analysis showed that there was a relatively lower percentage share of staff at the higher grade levels as compared to other organizations in the United Nations common system, a finding that confirmed the conclusions of the previous report. It was recommended that the General Assembly take note of the report.

26. Introducing the report entitled "Cost implications of providing more predictable and adequate conference services to the meetings of regional and other major groupings of Member States" (A/58/397), he recalled that the report had been prepared in compliance with General Assembly resolution 57/283 B. As indicated in the summary, the Secretariat, after analysing the existing mandate and the level of resources currently available, had concluded that the best way to provide the required services would be to make a change in the mandate, to programme additional conference services and to allocate the necessary financial resources. The first part of the report contained an analysis of the resources allocated to the entire programme of meetings approved by the General Assembly which highlighted the disparity between the Secretariat's conference-servicing capacity and the financial resources appropriated. The second part set out the possible options and cost estimates based on the volume of services provided over the preceding five years. For the biennium 2004-2005, full implementation of resolution 57/283 B would cost some $8 million (A/58/397, table 2). Should the General Assembly decide to change the existing mandate, the expenditures would have to be charged to the contingency fund in accordance with the procedure established in resolutions 41/213 and 42/211.

27. The report on the proportion of General Service staff to Professional staff in the regional commissions (A/58/403) had been submitted in compliance with paragraphs 72 and 73 of resolution 56/253. It confirmed that the proportion of General Service staff to Professional staff was higher in four of the regional commissions than in the United Nations Conference on Trade and Development (UNCTAD) or the Department of Economic and Social Affairs. The General Service staff in the commissions provided a much broader range of services. Investment in information technology would eventually lead to improvements in the efficiency of support services but, because of local conditions, that was not yet the case in the majority of the regional commissions.

28. Replying to the Canadian delegation, he said that the concern to balance the post structure had been taken into account in the proposed programme budget for the biennium 2004-2005, as in earlier budgets. The ratio of General Service staff to Professional staff had fallen in recent bienniums as was indicated in the table in paragraph 65 of the introduction to the proposed programme budget (A/58/6 (Introduction)). Future budgets would also take that concern into account but would also make allowance for the need for the regional commissions to provide their own support services, apart from the Economic Commission for Europe, which used the services of the United Nations Office at Geneva. The General Assembly was invited to take note of the report.

29. The report entitled "Improving and modernizing the conference facilities at the United Nations Office at Nairobi in order to accommodate adequately major meetings and conferences" (A/58/530), was the outcome of a review undertaken by the Secretariat in response to several requests made by the General Assembly, including in resolution 57/283 B. That review had led to the conclusion that there was an urgent need to modernize the conference facilities of the Office. The total cost of phase I of the work was estimated at $3.5 million. A budgetary allocation of $1.4 million had been proposed in section 33 of the proposed programme budget to address the most urgent requirements. It was proposed to allocate an amount of $900,000 from the uncommitted balance of the construction-in-progress account and to meet the remaining costs of $1.2 million by using the contingency fund.

30. After completion of the phase I, the conference facilities in Nairobi should meet the needs of the United Nations Environment Programme and of the United Nations Human Settlements Programme (UN-Habitat), but they might still be insufficient to serve major United Nations system conferences. It was therefore proposed, as phase II of the work, to build three additional conference rooms for a total cost of $4.2 million. The Secretariat considered that the matter should be studied in the light of the lessons learned from the operation of the modernized facilities, in 2006 and 2007. The decision that the General Assembly was invited to take appeared in paragraph 22 of the report. In addition, the Assembly would later have to take a decision on phase II of the work.

31. The report on additional expenditures deriving from inflation and currency fluctuations (A/58/400), which was the latest in a long series of reports on the same subject, contained a comparative analysis of practices followed by other international organizations in that regard. The updated information necessary for the analysis had been compiled by the United Nations System Chief Executives Board for Coordination. The procedures followed by United Nations system organizations with respect to currency fluctuations, inflation, reserve accounts and working capital funds were summarized in the tables annexed to the report. The practices varied widely since the problems differed from one organization to another on the basis, in particular, of the currencies used. All the measures taken by the organizations concerned had related costs which made it inadvisable to change the method currently used in the United Nations. The General Assembly was invited to take note of the report.

32. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said, with reference to the report of the Secretary-General on the implementation of projects financed from the Development Account (A/58/404), that the Advisory Committee's comments thereon were contained in document A/58/7/Add.5 and in paragraphs XIII.1 to XIII.11, which dealt with section 35 of the proposed programme budget, of the Advisory Committee's first report on the proposed programme budget for the biennium 2004-2005 (A/58/7). He would have an opportunity to respond to questions concerning document A/58/404 when the Fifth Committee took up section 35 of the proposed programme budget. The Advisory Committee had noted improvements in the documents submitted by the Secretary-General and had made suggestions for further improvements. In paragraph 35 of document A/58/7/Add.5, it recommended that information on the implementation of projects financed from the Development Account should be incorporated in the proposed programme budgets, thus obviating the need for the presentation of a separate report. The Advisory Committee recommended that the General Assembly should take note of the report contained in document A/58/404, in the light of its comments thereon.

33. The report of the Secretary-General on the comprehensive review of the post structure of the United Nations Secretariat (A/58/398) was covered in paragraphs 21 to 25 of the Advisory Committee's report (A/58/7/Add.5). He wished to draw the Committee's attention to the observations made in paragraph 25 of the Advisory Committee's report.

34. The report of the Secretary-General on the cost implications of providing more predictable and adequate conference services to the meetings of regional and other major groupings of Member States (A/58/397) was covered in paragraphs 16 to 20 of document A/58/7/Add.5. Taking into account what was stated in paragraph 19, the Advisory Committee recommended that, should the General Assembly decide to approve a change in the existing mandate for providing conference services to regional and other major groupings of Member States, which was a policy decision for the Assembly to make, an estimate of $4,740,600 should be approved, subject to the procedures set out in Assembly resolutions 41/213 and 42/211 for the use and operation of the contingency fund.

35. The report of the Secretary-General on the proportion of General Service staff to Professional staff in the regional commissions (A/58/403) was covered in paragraphs 29 to 31 of the Advisory Committee's report (A/58/7/Add.5). Subject to its comments in those paragraphs, the Advisory Committee was of the view that the report should be considered in the context of the review of the relevant sections of the proposed programme budget for the regional commissions. Additional comments were contained in chapters I and II of its first report (A/58/7 and Corr.1).

36. In the light of its comments on the report of the Secretary-General on improving and modernizing the conference facilities at the United Nations Office at

Nairobi (A/58/7/Add.6), the Advisory Committee recommended that the General Assembly should authorize the modernization of the existing conference facilities at the United Nations Office at Nairobi, as described in paragraph 10 of the report of the Secretary-General (A/58/530), and authorize the amount of $3.5 million requested by the Secretary-General in paragraph 22 of his report to finance the modernization.

37. The report of the Secretary-General on additional expenditures deriving from inflation and currency fluctuations (A/58/400) was covered in paragraphs 26 to 28 of document A/58/7/Add.5. The report was updated with information that had already been extensively reviewed by the Advisory Committee, but there was no recommendation that the current procedures should be changed. The Advisory Committee recommended that the General Assembly should take note of the report of the Secretary-General.

United Nations Fund for International Partnerships (A/58/173)

38. **Mr. Dossal** (Executive Director, United Nations Fund for International Partnerships), introducing the report of the Secretary-General (A/58/173), said that at the end of 2002 the programme portfolio had stood at 251 projects totalling $489 million, involving project activities in 120 countries carried out by 39 United Nations implementing partners. According to the updated data received by the Advisory Committee, all the figures had increased; as at 31 August 2003, the total value of the programme financed by the Fund stood at $530 million (it had increased by $69.3 million in 2002).

39. Other donors had contributed 38 per cent of the total amount allocated to the programme by the Fund since its creation. The increased interest shown by the private sector and foundations in the activities of the United Nations was encouraging the creation of new partnerships. With the support of the United Nations Foundation, the Fund had stepped up its awareness-raising activities with a view to promoting United Nations causes in the context of the Better World Fund campaigns. Examples of such activities included the fight against HIV/AIDS and vaccination campaigns.

40. Working in partnership gave the Fund extra leverage. Together with the World Bank and Rotary International, it was supporting the World Health Organization's Global Polio Eradication Initiative. Rotary International had collected $200 million for that initiative and other foundations had also decided to join in. The Bill and Melinda Gates Foundation had made sizeable contributions to the fight against AIDS, tuberculosis and malaria. All that testified to civil society's heightened interest in United Nations causes. The Fund itself was receiving signs of interest from all over the world, including from non-governmental organizations. The European Union had informed him that it would like to collaborate directly with the Fund in areas of interest to the Organization. In its partnerships, the Fund therefore also played the role of facilitator, including for social issues.

41. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had submitted its recommendations on the administrative budget of the secretariat of the United Nations Fund for International Partnerships (UNFIP) and had held a meeting with the Executive Director of the Fund to discuss the report contained in document A/58/173. The Advisory Committee recommended that the General Assembly should take note of the report.

42. **Mr. Yamanaka** (Japan) said that the percentage of staff in grades P-1 to P-3 must be increased. Member States were concerned that there were too many senior-level posts in the Secretariat and had often called for the situation to be addressed. The General Assembly had expressed its views on that matter in resolutions 41/213, 51/241 (annex), 54/249, 56/253 and 57/305.

43. The structure of posts in the Secretariat should be changed to make it easier for the Organization to fulfil its functions in the most efficient and cost-effective way possible. It was unfortunate that despite the provisions of paragraph (c) of General Assembly decision 57/574, comparative analysis of the post structure of the Secretariat had omitted the administrations of the Member States. His delegation requested the Secretary-General to conduct a study on the subject and to present its conclusions as soon as possible.

44. The International Civil Service Commission had recommended establishing equivalencies between grades P-1 to D-1 in the United Nations common system and the corresponding grades in the United States civil service, using the methods he had

mentioned. In its resolution 33/119, the General Assembly had approved the use of those equivalencies. The number of D-2 level posts (2 per cent) and of D-1 level posts (6 per cent) was too high in comparison with the equivalent figures for the Japanese civil service, which had been supplied to the Secretariat for the study on post structures and related administrative practices.

45. His delegation welcomed the detailed information from the Secretariat on additional expenditure arising from inflation and exchange-rate fluctuations and recalled that the General Assembly, in its resolution 41/213, had requested the Secretary-General to absorb such expenditure, wherever possible, by making savings in the programme budget, without in any way compromising the implementation of programmes. The savings arising, inter alia, from the measures which the Secretary-General had introduced in February 2002, must be used for that purpose. Under the current system, it appeared impossible to adjust budget estimates rapidly to take account of exchange-rate fluctuations. A solution to that problem must be found.

46. **Ms. Attwooll** (United States of America) noted that the report of the Secretary-General (A/58/398) had concluded that the post structure of the Secretariat, particularly at grades D-1 and D-2, was comparable to that of other United Nations bodies. However, the study had not taken account of posts with appointments of less than one year, which were often renewed. For example, there were currently 64 special representatives and envoys of the Secretary-General, each appointed at the director (D-2), Under-Secretary-General or Assistant Secretary-General level. If those posts had been included, the findings might have been different.

47. She urged the Office of Human Resources Management to continue its efforts to limit the reclassification of posts, to make sure that the reclassification guidelines were rigorously and transparently applied, to take account of the Advisory Committee's view that the staffing table must be managed as a whole and to inform the Committee of its actions. Her delegation concurred with the Advisory Committee that programme managers should have greater flexibility to take staffing decisions as long as they did not distort the staffing table.

48. While noting that the percentage of General Service to Professional staff had decreased from 58.6 per cent in 1998-1999 to an expected 57.1 per cent in 2004-2005, she said that that was still far too high in the light of the investment in information technology in recent bienniums. The problem was most acute in the regional commissions. The explanation given was that General Service staff at the regional commissions provided a wider range of services and that computerization had not yet produced the desired efficiencies. That conclusion troubled her delegation and it would like to hear from the Secretariat what type of efficiencies could be expected. The high percentage of secretaries, particularly in the regional commissions, seemed anomalous in an age when office automation had dramatically reduced the need for secretarial support. Her delegation would appreciate additional views from the Advisory Committee on that topic.

49. **Mr. Chaudhry** (Pakistan) said that he was pleased that the United Nations Fund for International Partnerships (UNFIP) was pursuing the achievement of the Millennium Development Goals and endorsed the long-term approach described in paragraph 43 of the report of the Secretary-General (A/58/173). He believed that the Fund could contribute substantially to consolidating relations between United Nations bodies and their partners, both in civil society and in the private sector. He wished to know how the Fund proposed to play a role in the Global Compact between the United Nations and the business world, as that would affect the promotion and awareness-raising activities referred to in paragraph 62 of the report.

50. **Mr. Kelapile** (Botswana) recalled that modernization of the conference facilities of the United Nations Office at Nairobi was a priority for the African Group and he welcomed the report on that subject (A/58/530) despite the fact that it had been issued late. It indicated that the number of meetings to be held at that Office was due to increase by approximately 5 per cent in 2004-2005, but that the quality of its facilities was poor. He hoped that the Secretariat would pay special attention to those issues in future reports.

51. Because information and communication technologies were expected to improve efficiency across the board, the investment planned for Nairobi was fully justified by the nature of the project. He noted the information in paragraphs 11 and 19 and the conclusions in paragraphs 20 and 21 of the report of the Secretary-General and accepted, for the time being, the recommendations in paragraphs 22 and 23 on the

understanding that they constituted the first phase of the project.

52. **Mr. Sach** (Director, Programme Planning and Budget Division), replying to questions concerning improvements in conference facilities at Nairobi, said that some of the proposals currently under consideration were not reflected in the initial programme budget, where the work contemplated had been limited to the modernization of some conference rooms. Following the adoption by Member States of a resolution on the matter in April 2003, the Division had reviewed the situation and had found that all the rooms had the same problems. Accordingly, it had been deemed preferable to renovate the entire conference facility.

53. Regarding the hierarchical structure and the ratio of General Service staff to Professional staff, for several years the Secretariat had been attempting to increase the proportion of entry-level posts, which should represent 41.4 per cent in 2004-2005 (A/58/6 (Introduction), para. 67) and to limit the number of D-1 and D-2 posts.

54. Turning to the proposals to decrease the ratio of General Service staff to Professional staff in the regional commissions, he said that in the Economic and Social Commission for Asia and the Pacific (ESCAP), there was a proposal to create five Professional posts and eliminate 12 General Service posts to restore balance in the staffing table, but such solutions were not always easy to implement. It was important that the elimination of General Service posts and the creation of Professional posts should take place simultaneously. He reminded the members of the Committee that the Secretariat was not solely responsible for the composition of the staff and that they should take such problems into account when making a decision. As to the impact of computerization, he recalled that the decline in the proportion of General Service staff was due in large measure to computerization.

55. Finally, while it would be possible to compare the hierarchical structure of the United Nations with that of Governments of Member States, such an exercise would be both complex and difficult. Moreover, the findings would have to be viewed with caution because the structure of posts in national administrations varied considerably, not only from one country to another but from one ministry to another within the same administration. Therefore, he did not recommend conducting such a study; the existing report, which covered the funds and programmes, was the best guide for comparison.

56. **Mr. Dossal** (Executive Director, United Nations Fund for International Partnerships), replying to the representative of Pakistan, said that the Fund, like other United Nations bodies, based its activities on the Millennium Development Goals, by relying on partnerships between the public sector and the private sector. The Fund cooperated in particular with the Office for Development Financing, the Commission on Sustainable Development and the Information and Communications Technologies Task Force by participating in their meetings and exchanging information.

57. Concerning the improvement of working methods for the establishment of partnerships, the Secretary-General had recommended the establishment of a partnership office that would include the Fund and the Global Compact. The two bodies would retain their individual identities but would work together for greater efficiency. He hoped that such an office would be created in the coming months.

Conclusion of general discussion (A/58/6 and Corr.1, A/58/6 (Introduction) and sect. 1 to 35; A/58/6, Income sections 1 to 3; A/58/7 and Corr.1)

58. **Mr. Muqaibal** (Oman) said that his delegation associated itself with the statement of the Permanent Representative of Morocco on behalf of the Group of 77 and China. Considering the responsibilities that the Organization must bear in many areas, the Secretary-General should be commended for his efforts to reform the Organization in order to allow it to overcome its difficulties. After studying the report of CPC, his delegation approved the idea that the reform process should be separate from the budget process, in accordance with General Assembly resolution 57/300, so that activities and programmes were not affected.

59. The proposed programme budget for the biennium 2004-2005 showed a 5.8 per cent increase over the budget for the preceding biennium. His delegation was confident that the best possible use would be made of the proposed appropriations so as to achieve the desired objectives. It was essential that the necessary resources be allocated for the various activities, including human rights, information,

conference services and economic and social affairs, in such a way as to increase efficiency while at the same time retaining a certain amount of flexibility in the distribution between staff costs and other costs, according to criteria to be established.

60. It was very important to make the most of what information technologies could do to increase productivity, improve administration and reduce costs, and the related investments must be carefully distributed among the various centres of activity. As the CPC had observed, results-based budgeting must be improved further as some of the expected results mentioned in the proposed programme budget did not reflect those projected in the medium-term plan as closely as they should. His delegation therefore hoped that extra efforts would be made to respect the agreed objectives and results, for the reallocation of resources should be done in accordance with the priorities established in the medium-term plan and should not be detrimental to the development process.

61. **Mr. Koonjul** (Mauritius), speaking on behalf of the Alliance of Small Island States, said that those delegations endorsed the statement made by the representative of Morocco on behalf of the Group of 77 and China. He supported the efforts of the Secretary-General to reform the Organization's administrative and financial systems, and reiterated the importance of the medium-term plan, which was the main tool that facilitated the participation of Member States in the decision-making process. The budget process adopted by the General Assembly in its resolutions 41/213 and 42/211 had been validated by later resolutions. The Alliance was of the view that programme managers should be given more flexibility in order to facilitate the implementation of results-based budgeting.

62. The Alliance also took note of the proposals made by the Secretary-General for the biennium 2004-2005 and the comments of the Advisory Committee. It stressed the important role of the Department of Public Information, which should be given adequate resources, and the need to strengthen the Organization's capacity as regards execution, monitoring, evaluation and follow-up of decisions taken at the major development conferences. It also supported the efforts made to implement the New Partnership for Africa's Development.

63. The Alliance also attached importance to the international meeting to review the Barbados Programme of Action for the Sustainable Development of Small Island Developing States, to be held in Mauritius in August 2004. That meeting should have a targeted programme in order to ensure the adoption of concrete objectives with deadlines. Its success would depend largely on technical and other advice from the Small Island Developing States Unit of the Department of Economic and Social Affairs. The Alliance requested once again — as it had been doing, to no avail, for the past two years — that the Unit should be strengthened. He drew attention to paragraphs IV.18 and IV.19 of the Advisory Committee report on that matter. In conclusion, the United Nations should be given the resources it needed to execute the mandated programmes and activities in full.

64. **Mr. Halbwachs** (Controller) was pleased that delegations had recognized the efforts of the Secretariat to issue the proposed programme budget within the time limit, so that they could give it proper consideration. The new method of presentation, in response to the Secretary-General's desire to place greater emphasis on the strategic aspects of the budget and to avoid overlap with the work of the Advisory Committee, had also been favourably received. As for results-based budgeting, the Secretariat was aware that the process must be further improved, and it intended to rely on the comments of the Advisory Committee and the Fifth Committee in that process.

65. He was pleased at the support expressed for the Secretary-General's reform initiatives. As for the total amount of the budget, which had provoked differing reactions, the procedure adopted by the General Assembly in resolution 41/213, whereby the Secretary-General submitted a proposed programme budget based on an outline that had gained the widest possible consensus of Member States, no longer seemed entirely appropriate.

66. In order to facilitate the Committee's work, the Office of the Controller had already issued a recosting (see A/58/528) without waiting until December as in previous years; it was hoped that the Committee would be able to take a decision earlier and thus avoid the problems encountered in 2001. In his presentation, the Secretary-General had stated that the proposed programme budget represented the bare minimum needed to implement the tasks mandated by Member States and that it was therefore not possible to envisage any further decrease in resources. It was indeed paradoxical that Member States should be entrusting

more and more mandates to the Secretariat but did not wish to give it the resources necessary to execute them. An increased reliance on voluntary contributions would soon create a situation where the priorities of the Organization would in fact no longer be set by Member States as a whole.

67. **Ms. Goicochea** (Cuba) said that her delegation still had not received an answer to the questions it had posed the previous day. Regarding the budget format, it was seriously concerned at the decision to eliminate from the fascicles a huge amount of important information. The Secretariat must explain on what basis it had decided on a format that, in effect, eliminated information essential to the assessment and adoption in complete transparency of a 3 billion dollar budget. The Member States should know precisely what they were being asked to decide upon. She would also like to know how the Secretariat interpreted resolution 55/231 concerning transfers between various objects of expenditure.

68. **Mr. Halbwachs** (Controller) said that the new budget format was in line with General Assembly resolution 57/300 and had been welcomed by a large number of delegations. The budget was adopted section by section, as the Secretary-General was not authorized to transfer resources from one section to another without the agreement of the Advisory Committee. The new presentation had no impact on that procedure.

69. **Ms. Goicochea** (Cuba), referring to paragraph 88 of the introduction to the proposed programme budget, said that the General Assembly had never authorized any modification of the presentation of the detailed technical information needed for the costing of budget proposals. Paragraph 4 of resolution 57/300 in no way represented such a decision. As for transfers, her comments had been directed not at transfers between sections on the budget but at transfers between post and non-post objects of expenditure which, according to paragraph 17 of resolution 55/231, required the agreement of the Assembly. That resolution reflected a delicate balance that had enabled the approval of the results-based budgeting method. Her delegation reiterated its request regarding the publication of information covered in paragraph 88 and stressed that the Committee should consider certain sections of the budget in open meetings so that the positions of delegations would be recorded in the summary records.

70. **Mr. Halbwachs** (Controller) said that the General Assembly had stated its position on the Secretary-General's proposals concerning the format of the budget in paragraph 4 of its resolution 57/300 and that the decision had been taken on the basis of a conference room paper.

71. **Mr. Wins** (Uruguay) said that three important meetings were not mentioned in section 2, paragraph 2.8, of the budget: the meetings of States parties to the United Nations Framework Convention on Climate Change and to the United Nations Convention to Combat Desertification, and the meeting to review the Yokohama Strategy. He asked the Secretariat to provide an explanation during a formal meeting and to give the cost of each of the meetings mentioned in that paragraph during informal consultations.

72. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the meetings referred to by the representative of Uruguay were not mentioned in paragraph 2.8 of section 2 because the competent decision-making bodies had not yet officially approved them. The adoption of any such decision should be preceded by a statement of programme budget implications. He would attempt to provide delegations with the information requested on the cost of services provided to major conferences.

73. **Ms. Goicochea** (Cuba) said that she was well aware of the content of the debates and the conference room paper to which the Controller had referred. She recalled that in a resolution concerning the support account, the General Assembly had taken a clear position on the information that the Secretariat should include in its budget proposals for peacekeeping operations, which it had also wished to shorten. She hoped that the Bureau would take into account her delegation's repeated requests.

74. **Ms. Buchanan** (New Zealand), noting that the general debate was scheduled to conclude before the end of the week, said that it seemed to her that the Bureau should consider the questions raised by the delegation of Cuba when preparing the programme of work.

75. **Mr. Elji** (Syrian Arab Republic) said that it had been his understanding, when his country had agreed to the procedure for consideration of the proposed programme budget for the biennium 2004-2005, that it was on an exceptional basis. Like the representative of Cuba, he would like certain sections to be considered

in formal meetings as necessary. Future proposed budgets should be considered section by section.

76. **The Chairman** said that the Bureau would take delegations' comments into account, in accordance with the agreement reached on 7 October, when the Committee had approved the programme of work on the understanding that the Bureau would amend it as the need arose over the course of the session.

77. **Ms. Udo** (Nigeria) said that she would like to receive clarification on the modalities for financing the renovation of the United Nations Office at Nairobi; it appeared that a portion should be charged to the regular budget and part to the reserve fund.

78. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the cost of the first phase of the modernization of the conference facilities at Nairobi was estimated at $3,479,000. Only the amount corresponding to the work already authorized ($1,427,000) had been reflected in section 33 of the proposed programme budget. To finance the rest of the work needed, the best solution would be first to use the interest income from the account for construction in progress and to charge the balance, or $1,139,000, to credits that would be opened to constitute the reserve fund.

79. **The Chairman** said that the Committee had thus concluded its general debate on the proposed programme budget for the biennium 2004-2005.

Agenda item 59: Strengthening of the United Nations system (A/57/786, A/58/7/Add.5, A/58/375 and A/58/395 and Corr.1)

80. **Mr. Halbwachs** (Controller) introduced the report of the Secretary-General on the intergovernmental review of the medium-term plan and the programme budget (A/57/786), which had been prepared pursuant to the request of the General Assembly contained in paragraph 37 of its resolution 57/300. In that paragraph, the Assembly had requested the Secretary-General to submit a report clarifying his proposal for a single-stage intergovernmental review of the programme budget and the medium-term plan by the Fifth Committee. The latter would continue to take into account the technical recommendations of the Advisory Committee on Administrative and Budgetary Questions. The Committee for Programme and Coordination (CPC) could strengthen its current role by devoting itself to the assessment of results achieved at the end of the budget or plan period, a function that currently was not being appropriately provided for at the intergovernmental level.

81. The report of the Secretary-General on improvements to the current process of planning and budgeting (A/58/395 and Corr.1) provided the details requested by the General Assembly concerning the Secretary-General's proposal to adopt a shorter, more strategic medium-term plan that was linked to the budget outline. The proposal was to shorten the period of the plan to two years, thereby enhancing the accountability of programme managers; each subprogramme would have objectives based on legislative mandates, but the expected accomplishments would be limited to the results which could be achieved by the Secretariat within a two-year period. A biennial plan would be more in line with recent mandates and the time between the preparation of the plan and the end of the period it covered would be reduced by two years.

82. Currently, the plan and the budget outline were considered in the same year but separately. The Secretariat would like to see them considered concurrently by the General Assembly to ensure that decisions on the level of resources were taken on the basis of a clear linkage between programmatic needs and related resource provisions.

83. The new plan would constitute part one of a strategic framework, which would be presented in such a way that the programmes could be clearly related to the parts of the budget outline and the programme budget. The budget outline would constitute the second part of the strategic framework. It was proposed that the budget outline should be expanded to include information on changes in resource requirements and their impact on cost estimates. Allocation of resources for the regular budget would thus be better linked to programme changes and Member States would have a clearer idea of what would change for each part of the budget, with respect to both programme and resource requirements. Decision-making, therefore, would be facilitated.

84. The programmatic aspects of the budget would be identical to those reflected in Part One of the strategic framework. Intergovernmental bodies, including CPC, would no longer be required to review again the programmatic aspects of the programme budget. As the Secretary-General had proposed earlier, it would be

considered by the Advisory Committee and the Fifth Committee.

85. The format of the proposed programme budget would be further modified. The detailed cataloguing of individual outputs would no longer feature in the main part of each budget fascicle and would be replaced by summary tabulations of outputs by subprogramme.

86. Currently insufficient time was devoted to the evaluation of results achieved. Existing systems for reporting and evaluating performance were not always used to facilitate the reformulation of programmes or to introduce new ones. A number of improvements were under way, which were discussed in the report.

87. The Secretariat had modified its original proposal and, after thorough study and taking into account the recommendations on the medium-term plan and the budget outline, it recommended that the medium-term plan (which would be called the biennial programme plan and would constitute the first part of the strategic framework) should continue to be considered by CPC. The review of the budget outline and the programme budget would be the responsibility of the Advisory Committee and the Fifth Committee. The CPC could thus give greater attention to monitoring and evaluation.

88. Contrary to established practice, the report of the Joint Inspection Unit on the review of the United Nations budgetary process (A/58/375) had not resulted in the issuance of a document giving the Secretary-General's observations. The topic of that report was identical to that of the two reports of the Secretary-General which he had just introduced, and the Committee could consider the three reports at the same time.

89. **Mr. Yussuf** (Joint Inspection Unit), introducing the report of the Joint Inspection Unit on the review of the United Nations budgetary process (A/58/375), said that it had been finalized after consultation among the inspectors, so that its recommendations could be tested against their collective wisdom, as required by article 11, paragraph 2, of the Unit's statute. The inspectors had aimed to appraise the efficiency and effectiveness of the current United Nations budgetary process, and to present a number of alternatives to the General Assembly for improved planning, programming, budgeting, monitoring and evaluation, taking into account experience and practices in other United Nations bodies which had reformed their own budgetary processes. The idea was to contribute to the ongoing debate in the General Assembly and enable it to adopt an informed decision at the current session, to apply from the biennium 2006-2007.

90. In document A/57/387, the Secretary-General had emphasized the serious flaws in the current process. The inspectors had agreed with him that it must be improved, particularly because it cost over $20 million, the equivalent of approximately 0.75 per cent of the budget, or the amount of the contingency fund, even before the cost to the Member States themselves was taken into account. Chapter I of the Joint Inspection Unit report summarized the main deficiencies associated with each of the elements of the budgetary process, as well as with the parties involved in it. Despite the shift to results-based budgeting, no attempt had been made to review the relevance of the medium-term plan, developed in 1974 to ease the transition from an object-of-expenditure budget to a programme budget approach.

91. Chapter II proposed three alternatives. The inspectors favoured the first, which they viewed as the best way of establishing a budgetary process that was efficient, cost-effective, compatible with results-based budgeting and improved monitoring by the Member States. The alternative in question had four components. The first was a strategic framework, drawn up on the basis of the goals contained in the United Nations Millennium Declaration and the outcomes of the other major United Nations conferences. The framework would set out strategy objectives for the Organization's activities, in other words, the "results" to be pursued or evaluated over the period covered by the framework. The second was the replacement of the medium-term plan and the budget outline with the programme budget document, which would become the main programming instrument for the biennium, based on the strategic framework. The third was strengthened evaluation and monitoring, which would be achieved by giving programme managers better self-evaluation instruments and improving the frequency and quality of reports to the Member States. The fourth was improved arrangements for the parties involved in the budgetary process so that each could play an appropriate part. That would include the General Assembly, which should make the best possible use of its subsidiary and expert bodies.

92. The inspectors firmly believed that the process must be thoroughly overhauled on the basis of

proposals from themselves and the Secretary-General and any other options which might emerge during the course of discussion. The Member States should take a decision without delay.

93. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's comments and recommendations on the report of the Secretary-General (A/58/395 and Corr.1) were contained in paragraphs 1 to 15 of document A/58/7/Add.5. In paragraph 7 of the Advisory Committee's report, the words "through the Advisory Committee" should be deleted from the last sentence, which should read: "Consequent upon such action as the Assembly may take on the mock-ups, the Secretary-General would then report to the Assembly any consequential amendments to the Financial Regulations and Rules of the United Nations and to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring and Implementation and the Methods of Evaluation, which would need to be considered". The Advisory Committee would certainly review the changes that would be submitted to it and would take such other initiatives as the General Assembly might wish to delegate to it.

94. In considering the reports currently before it, the Fifth Committee should bear in mind what had already been achieved. Results-based budgeting was under implementation. The budget had been streamlined and the need to improve the capacity to effectively monitor, evaluate and report on performance had been recognized. The Committee's debates should therefore concentrate essentially on what type of planning instrument and budget outline was appropriate for the future.

95. The Advisory Committee had already submitted to the General Assembly comments and recommendations on the state of implementation of results-based budgeting, on some aspects of evaluation and monitoring, and on streamlined budget documents. Its views on the proposals made by the Secretary-General in document A/58/395 and Corr.1 could be summarized as follows: (a) the duration of the planning instrument and the role of the Committee for Programme and Coordination (CPC) required policy decisions by the General Assembly and it was not for the Advisory Committee to comment thereon; (b) following the debates at the current session and subject to such guidelines as the General Assembly might wish to provide, the Secretary-General should be requested to prepare mock-ups of the new planning instrument and budget outline; (c) in the context of the mock-ups, clarifications should be provided that took account of the Advisory Committee's observations contained in paragraphs 9 to 12 of its report; (d) after the General Assembly had examined the mock-ups, the Secretary-General should be requested to submit to the Assembly consequential amendments to the Financial Regulations and Rules and to the Regulations and Rules Governing Programme Planning.

Organization of work

96. **The Chairman** said that Mr. Kerby, President of the Federation of International Civil Servants' Associations, had asked to address the Fifth Committee in connection with agenda item 126 (United Nations common system). If he heard no objection, he would take it that the Committee agreed to hear the President of FICSA when it took up that agenda item.

97. *It was so decided.*

98. **The Chairman** said that the Bureau recommended deferring until the resumed session consideration of agenda items 127 (Human resources management) and 128 (Administration of justice at the United Nations), originally planned for the week of 17 November, as the documentation was not yet ready.

99. **Mr. Elji** (Syrian Arab Republic) said that it was unacceptable for the Committee to have to defer discussion of an agenda item because it had not been given the documents required. In such cases, the Secretariat must supply it with all the necessary information before it reached a decision, particularly where the agenda item on the administration of justice was concerned. In his view, the decision proposed by the Bureau was a regrettable precedent.

100. **Mr. Elnaggar** (Egypt) said that he agreed with the representative of the Syrian Arab Republic. He wished the matter to be discussed in informal consultations, so was not currently in a position to decide on it.

101. **Ms. Goicochea** (Cuba), supporting the representatives of the Syrian Arab Republic and Egypt, proposed that a representative of the Office of Human Resources Management, the department responsible,

should come and explain to the Committee why the documents were not ready.

102. *Mr. Elkhuizen (Netherlands), Vice-Chairman, took the Chair.*

103. **The Chairman** said that the Secretariat had informed the Bureau of the problems it was facing, but took note of the requests of some delegations for an explanation to be provided.

The meeting rose at 12.35 p.m.